

INTEGRATION OF WVU MEDICINE AND THE HEALTH PLAN

We are excited to share with you that WVU Medicine and The Health Plan will be publicly announcing their intent to become an integrated delivery and financing network (“Integration”) in the coming days. Through the Integration, WVU Medicine and The Health Plan aim to improve the health of West Virginians while improving the efficiency of care delivered. The Integration will help West Virginia be competitive with surrounding states such as Pennsylvania, Maryland, and Virginia, all of which have one or more integrated delivery and financing systems. The Integration will help keep both care and jobs in state.

WHAT IS THE STRUCTURE OF THE INTEGRATION?

The Health Plan will become a member of West Virginia University Health System (operating under the brand WVU Medicine) in a manner similar to how several hospitals have recently joined WVU Medicine. The Health Plan will remain a non-profit corporation with a separate board, but will have access to the many shared resources of WVU Medicine.

WHAT IS THE PURPOSE OF THE INTEGRATION? WHY NOW?

With the acceleration of health care reform and government budgetary constraints for health care services, it has become critical for health care providers and payers to align incentives to maximize efficiency and quality. Through the Integration, WVU Medicine and The Health Plan intend to enhance the quality of care they deliver, improve the health of the populations they serve, and slow or reverse the growth in health care expenditures. Studies have found that establishing a fully integrated financing and delivery network such as this can help meet these objectives.

HOW WILL THE INTEGRATION AFFECT THE CARE DELIVERED TO THE HEALTH PLAN’S MEDICAID BENEFICIARIES AND OTHER MEMBERS?

The Health Plan’s beneficiaries will not face any disruption to their care as a result of the Integration. In the immediate term, members are unlikely to see any difference. In the medium term, we expect the Integration to result in better resources for members related to care coordination, wellness, and social work. We also expect the Integration to increase access to care through enhanced telemedicine and other forward-thinking health services.

WILL THE INTEGRATION HAVE ANY IMPACT ON PEIA?

The Health Plan will continue to offer a managed PEIA plan option for West Virginia state employees. WVU Medicine will continue accepting both managed and non-managed PEIA plans, and will continue participating in PEIA’s Comprehensive Care Partnership program. We believe that the Integration will provide further opportunities for WVU Medicine and The Health Plan to collaborate together with PEIA to improve the health and wellness of West Virginia state employees.

HOW WILL THE INTEGRATION AFFECT OTHER HEALTH SYSTEMS AND INDEPENDENT PROVIDERS IN WEST VIRGINIA?

Non-WVU Medicine hospitals and providers in West Virginia should not experience disruptions to patient care or payment as a result of the Integration. The Health Plan will continue in its contracts with non-WVU Medicine hospitals and independent providers in West Virginia. Further, The Health Plan intends to continue building collaborative, value-based partnerships with providers across the state.

HOW WILL THE INTEGRATION AFFECT CONSUMER CHOICE?

WVU Medicine will continue participating with a number of other Medicaid, Medicare Advantage, and Commercial plans in order to offer consumers meaningful choice. For example, in addition to original Medicare, WVU Medicine will continue participating in Humana and United Medicare Advantage products.

WVU Medicine and The Health Plan also intend to offer joint products to the market at attractive premium levels to the benefit of consumers.

WVU Medicine will seek to maintain positive relationships with all of its payer partners, but it is possible that one or more payers will react negatively to the Integration and seek to discontinue or modify the terms of its participation agreements with WVU Medicine.

HOW WILL THIS INTEGRATION IMPACT THE HEALTH PLAN'S EMPLOYEES?

The Integration will not result in any layoffs to The Health Plan's employees. To the contrary, the Integration will help to ensure the long-term viability of The Health Plan's workforce, keeping West Virginia jobs in West Virginia.

HOW WILL THIS INTEGRATION IMPACT THE WHEELING COMMUNITY?

In many instances where out-of-state, for-profit corporations acquire West Virginia entities, jobs and corporate headquarters are lost or move out-of-state, and the communities suffer.

In contrast, through the Integration, WVU Medicine and The Health Plan will be able to maintain The Health Plan's headquarters and workforce in Wheeling for the foreseeable future. We believe that WVU Medicine and The Health Plan's presence in Wheeling will help promote the revitalization of the Wheeling community. In addition, a non-profit foundation will be created through the Integration to benefit charitable causes in Wheeling and across West Virginia.